

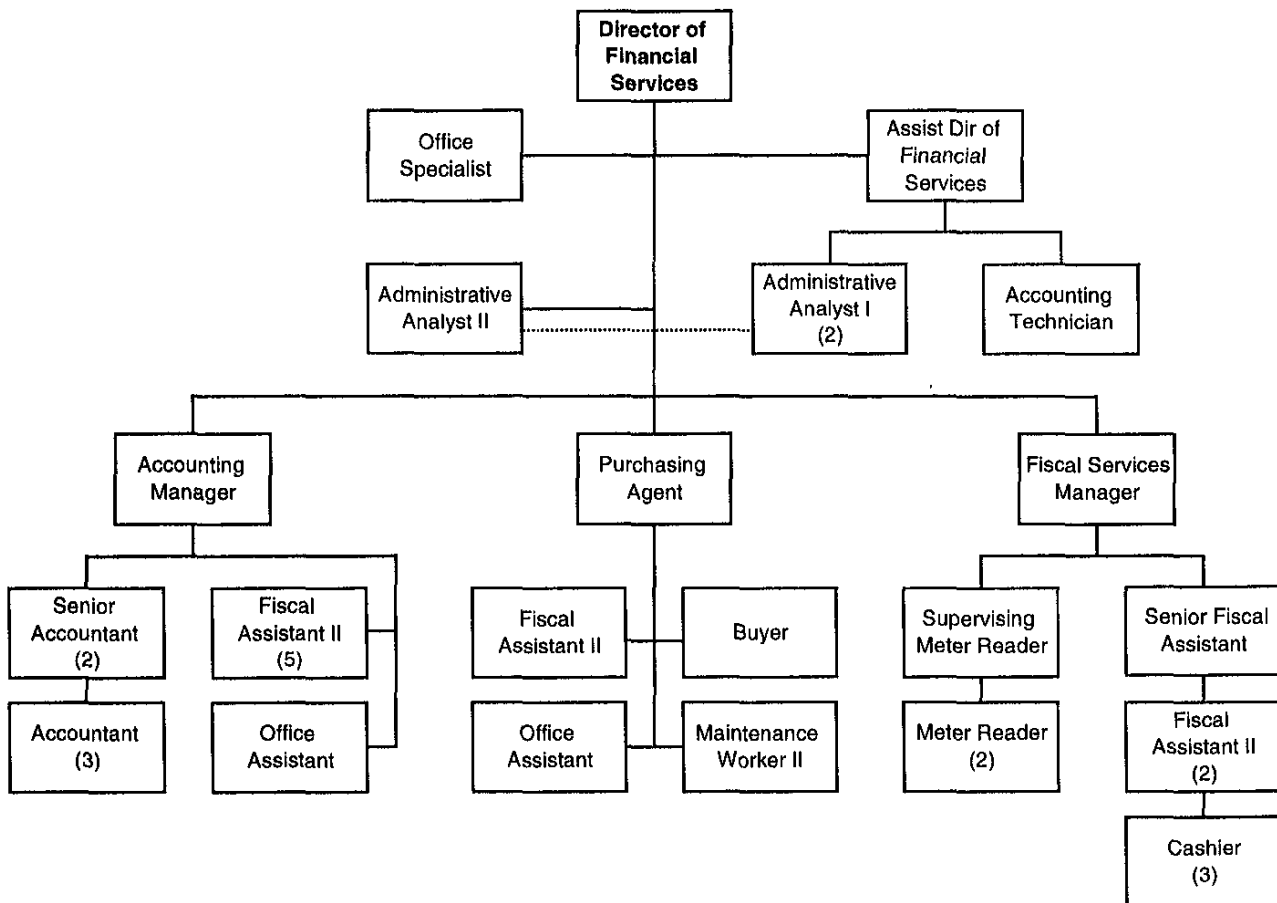
Finance

Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information and service to the residents and business community for whom we work and to our fellow employees.

Divisions

Administration
Accounting Services
Fiscal Services
Purchasing



FINANCE OVERVIEW

	<u>Actual 2000-01</u>	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Approved 2003-04</u>
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Expenditure by Division

Administration	606,174	652,653	827,529	625,516
Accounting Services	767,424	828,616	1,038,740	1,044,491
Fiscal Services	710,718	759,934	899,174	959,522
Purchasing	<u>416,211</u>	<u>474,394</u>	<u>494,085</u>	<u>516,692</u>
Total	2,500,527	2,715,597	3,259,528	3,146,221

Expenditure by Function

Administration	606,174	652,653	827,529	625,516
Accounting Services	767,424	828,616	1,038,740	1,044,491
Receivables	418,667	442,994	571,669	597,368
Utilities	292,051	316,940	327,505	362,154
Purchasing	<u>416,211</u>	<u>474,394</u>	<u>494,085</u>	<u>516,692</u>
Total	2,500,527	2,715,597	3,259,528	3,146,221

Expenditure By Object

Personnel Services	2,154,925	2,326,091	2,749,734	2,721,043
Services and Supplies	340,022	389,081	509,794	425,178
Capital Outlay	5,580	425	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,500,527	2,715,597	3,259,528	3,146,221

_____ 2003-2004 FINAL BUDGET _____

_____ CITY OF MILPITAS, CALIFORNIA _____

DEPARTMENT: Finance

		Actual 2000-01	Actual 2001-02	Budget 2002-03	Approved 2003-04
PERSONNEL SERVICES					
4111	Permanent Salaries	1,665,969	1,791,766	2,322,473	2,405,065
4112	Temporary Salaries	185,876	206,631	351,606	324,023
4113	Overtime	20,322	18,953	28,000	28,000
4121	Allowances	16,459	6,376	6,480	6,480
4124	Leave Cashout	25,879	22,303	0	0
4131	PERS	717	11,280	175,206	179,963
4132	Group Insurance	165,354	184,649	291,144	340,176
4133	Medicare	24,677	26,521	35,778	37,751
4135	Worker's Compensation	23,434	28,771	19,217	20,062
4138	Deferred Comp	24,597	27,294	27,000	27,000
4139	PARS	1,641	1,547	1,254	3,805
4142	Vacancy Factor	0	0	(447,828)	(610,404)
4143	Charged to CIPs	0	0	(60,596)	(40,878)
	Total	2,154,925	2,326,091	2,749,734	2,721,043
SERVICES AND SUPPLIES					
4211	Equip Replmnt Amortization	44,561	36,181	17,854	14,343
4220	Supplies	152,911	146,581	159,130	160,110
4230	Services	123,048	187,848	304,680	232,285
4410	Communications	1,816	717	1,670	1,490
4501	Memberships & Dues	2,643	2,237	3,000	2,700
4503	Training	15,043	15,517	23,460	14,250
4660	Other Misc & Corrections	0	0	0	0
	Total	340,022	389,081	509,794	425,178
CAPITAL OUTLAY					
4851	Vehicles	0	0	0	0
4870	Machinery & Equipment	0	0	0	0
4911	Office Furniture and Fixtures	3,616	0	0	0
4920	Machinery, Tools & Equip	1,964	425	0	0
	Total	5,580	425	0	0
	Total Expenditures	2,500,527	2,715,597	3,259,528	3,146,221

DEPARTMENT: 3 Finance
DIVISION: 30 Finance Administration

FINANCE DIRECTOR: Emma Karlen

Division Description

This division provides the overall management, organization, planning and administration of the Finance Department. Division responsibilities include: the preparation of the Budget document, financial planning, debt administration, fiscal analysis, administration of the Redevelopment Agency and internal control systems and oversight of the City and Agency's investment portfolio and cash management. This division also provides risk management services and monitors all tort claims against the City.

	Actual 2000-01	Actual 2001-02	Projected 2002-03	Estimated 2003-04
Performance Indicators				
Number of liability/property damage claims processed	29	36	38	38
Number of internal audits completed	2	1	1	0

2002-03 Accomplishments

1. Received awards for "Excellence in Financial Reporting" and "Distinguished Budget Presentation" from the Government Finance Officer's Association and the California Society of Municipal Finance Officers.
 2. Maintained our investment objectives of safety and competitive returns while ensuring that there is sufficient liquidity to meet the City's cash flow needs.
 3. Assisted in the Redevelopment Agency's efforts to expand Project Area No. 1.
 4. Cross trained staff on risk management function.
 5. Initiated the consolidation of credit card providers of various City locations and issued a RFP to obtain the best service and discount rate.
 6. Assisted the City Hall Project Team in reconciling and closing out vendors' contracts.
 7. Recovered \$44,000 for damage to City properties through our claim process.
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2003-04 Objectives

1. Obtain the "Distinguished Budget Presentation" award from the Government Finance Officer's Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO).
 2. Continue to maintain our investment objectives of safety and competitive returns while ensuring that there is sufficient liquidity to meet the City's cash flow needs.
 3. Provide financing package to fund the new library.
 4. Review banking services and potentially issue a Request for Proposal to obtain better rates and services.
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Personnel Allotment

This division is staffed by: (1) Director of Financial Services/Treasurer, (1) Assistant Director of Financial Services, (2) Administrative Analyst I/II's, (1) Administrative Analyst I, (1) Accounting Technician, (1) Office Specialist and (1) temporary Student Intern.

Personnel Changes

No change was requested.

Expenditure Analysis

Personnel Services: \$461,816 will provide staffing for this division.

Services and Supplies: \$28,000 will provide for departmental office supplies centralized in this division, \$70,000 will provide for Redevelopment Agency review and analysis, \$57,350 is for contractual services for banking services, investment program maintenance, budget system maintenance and on-line market pricing.

Capital Outlay: No capital outlay was requested.

DEPARTMENT: Finance
DIVISION: Finance Administration

		Actual 2000-01	Actual 2001-02	Budget 2002-03	Approved 2003-04
PERSONNEL SERVICES					
4111	Permanent Salaries	417,475	387,810	600,302	617,860
4112	Temporary Salaries	35,828	51,119	64,000	16,000
4113	Overtime	323	116	2,000	2,000
4121	Allowances	9,979	(104)	0	0
4124	Leave Cashout	3,933	1,796	0	0
4131	PERS	136	2,651	42,399	43,412
4132	Group Insurance	30,148	35,117	59,892	70,896
4133	Medicare	5,751	5,350	8,570	8,082
4135	Worker's Compensation	4,594	6,482	3,298	3,182
4138	Deferred Comp	7,616	5,942	6,300	6,300
4139	PARS	320	319	360	240
4142	Vacancy Factor	0	0	(220,782)	(306,156)
4143	Charged to CIPs	0	0	0	0
	Total	516,103	496,598	566,339	461,816
SERVICES AND SUPPLIES					
4211	Equip Replmnt Amortization	1,281	3,077	0	0
4220	Supplies	27,931	26,589	29,000	28,000
4230	Services	48,357	117,859	219,600	127,850
4410	Communications	1,458	252	360	180
4501	Memberships & Dues	1,620	1,201	1,570	1,370
4503	Training	5,808	7,077	10,660	6,300
4660	Other Misc & Corrections	0	0	0	0
	Total	86,455	156,055	261,190	163,700
CAPITAL OUTLAY					
4851	Vehicles	0	0	0	0
4870	Machinery & Equipment	0	0	0	0
4911	Office Furniture and Fixtures	3,616	0	0	0
4920	Machinery, Tools & Equip	0	0	0	0
	Total	3,616	0	0	0
	Total Expenditures	606,174	652,653	827,529	625,516

DEPARTMENT: 3 Finance FINANCE DIRECTOR: Emma Karlen
 DIVISION: 31 Accounting Services ACCOUNTING SRVCS MGR: Jane Corpus

Division Description

This division maintains and coordinates the financial system, provides both internal and external financial reporting and serves as the primary external audit liaison. Division responsibilities include performance of financial analysis, issuance of payroll checks, benefit payments, compliance with Federal and State regulations related to financial reporting, grant reporting and processing of payments for goods and services provided.

	Actual 2000-01	Actual 2001-02	Projected 2002-03	Estimated 2003-04
Performance Indicators				
Average number of days management reports are distributed after month end	21	13	13	12
Audit adjustments	10	8	6	6
System generated Payroll checks	14,794	16,053	16,000	16,500
Manually calculated Payroll checks	76	62	60	60
Accounts Payable invoices processed	21,647	22,932	23,000	23,500

2002-03 Accomplishments

1. Received the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officer's Association (GFOA).
2. Received the "Outstanding Financial Reporting" certificate from the California Society of Municipal Finance Officers (CSMFO).
3. Upgraded the financial system to the latest version 7.0.
4. Developed and implemented a grant Standard Operating Procedure to enhance grant administration.
5. Implemented electronic reporting of medical benefits to California Public Employees Retirement System.
6. Started cross-training program for the Accountants.

2003-04 Objectives

1. Obtain the "Certificate of Achievement for Excellence in Financial Reporting" from the GFOA.
2. Obtain the "Outstanding Financial Reporting" certificate from the CSMFO.
3. Replace the utility billing system with a utility management system.
4. Develop a department training manual on accounting-related functions and conduct training sessions for City employees.
5. Update accounting-related Standard Operation Procedure.
6. Implement a function in the finance system to automatically issue accounts payable checks for payroll-related deductions.

Personnel Allotment

This division is staffed by: (1) Accounting Services Manager, (2) Senior Accountants, (3) Accountants, (5) Fiscal Assistants and (1) Office Assistant. Additional customer service support is provided by temporary employees. A temporary part-time Accountant, fully funded by CIPs, will assist in implementing new finance modules in the finance system. Temporary student interns will assist in clerical support.

Personnel Changes

No change was requested.

Expenditure Analysis

Personnel Services: \$1,017,831 will provide staffing for this division.

Services and Supplies: \$12,100 will provide for report preparation required by the State and ongoing maintenance of the financial system.

Capital Outlay: No capital outlay was requested.

DEPARTMENT: Finance
DIVISION: Accounting Services

		<u>Actual 2000-01</u>	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Approved 2003-04</u>
PERSONNEL SERVICES					
4111	Permanent Salaries	545,341	567,025	816,680	843,682
4112	Temporary Salaries	88,858	121,831	236,114	148,756
4113	Overtime	13,286	8,259	6,000	6,000
4121	Allowances	6,480	6,480	6,480	6,480
4124	Leave Cashout	11,962	10,388	0	0
4131	PERS	241	3,757	69,617	59,116
4132	Group Insurance	54,221	55,504	102,672	121,536
4133	Medicare	9,704	10,450	15,480	15,910
4135	Worker's Compensation	5,638	6,461	5,234	5,369
4138	Deferred Comp	8,630	10,110	10,800	10,800
4139	PARS	826	1,170	799	3,542
4142	Vacancy Factor	0	0	(227,046)	(162,482)
4143	Charged to CIPs	0	0	(38,000)	(40,878)
	Total	<u>745,187</u>	<u>801,435</u>	<u>1,004,830</u>	<u>1,017,831</u>
SERVICES AND SUPPLIES					
4211	Equip Replmnt Amortization	0	0	0	0
4220	Supplies	4,868	5,325	6,660	6,560
4230	Services	8,191	13,060	19,100	13,050
4410	Communications	184	82	200	200
4501	Memberships & Dues	643	716	950	950
4503	Training	8,351	7,998	7,000	5,900
4660	Other Misc & Corrections	0	0	0	0
	Total	<u>22,237</u>	<u>27,181</u>	<u>33,910</u>	<u>26,660</u>
CAPITAL OUTLAY					
4851	Vehicles	0	0	0	0
4870	Machinery & Equipment	0	0	0	0
4911	Office Furniture and Fixtures	0	0	0	0
4920	Machinery, Tools & Equip	0	0	0	0
	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Expenditures	<u><u>767,424</u></u>	<u><u>828,616</u></u>	<u><u>1,038,740</u></u>	<u><u>1,044,491</u></u>

DEPARTMENT: 3 Finance
DIVISION: 32 Fiscal Services

FINANCE DIRECTOR: Emma Karlen
FISCAL SERVICES MANAGER: Vacant

Division Description

This division includes Receivables and Utility functions. Receivables function maintains cash collecting, utility billing, business licensing, miscellaneous invoicing and weekday customer service cashiering from 8 am to 5 pm. The Utility function provides meter reading of residential, commercial and industrial meters for water and sewer use, and bi-monthly invoices for water, sewer and garbage (solid waste) charges.

	Actual 2000-01	Actual 2001-02	Projected 2002-03	Estimated 2003-04
Performance Indicators				
Utility accounts read and billed	95,054	95,103	95,150	95,250
Utility accounts turned on and off	3,642	3,722	3,820	3,900
Business licenses issued	5,835	6,597	6,600	6,700
Miscellaneous invoices	1,147	1,865	2,050	2,100
Credit cards or on-line payments	N/A	859*	8,450	9,300
% of accurate meter reads	98%*	98%	98%	98%
Hotel rooms/TOT collected (millions)	2,700/\$8.1	3,080/\$5.8	3,080/\$5.2	3,080/\$5.3

*Begin tracking.

2002-03 Accomplishments

1. Established checklists for operational duties to ensure accurate and consistent processes.
2. Collaborated with Fire Prevention to revise annual fire inspection invoices and modified receipt batching to address Fire Prevention's needs.
3. Increased invoice processing by 10% over last year without additional staff.
4. Developed a division training calendar for cross training to enhance flexibility of staffing.
5. Provided accurate meter reads by maintaining a 98% accuracy rate.

2003-04 Objectives

1. Convert the Utility Billing system to a new Utility Management system.
2. Investigate options to upload/download data into/from the financial system for efficient handling, reducing data entry time.
3. Continue to provide accurate meter reads by maintaining a 98% accuracy rate.
4. Complete 300 maintenance jobs (consisting of brush trimming, meter box dig-outs and meter box lid replacements) at meter location, in order to have better accessibility and safety for workers and residents.
5. Increase on-line and automatic payments by 10% through promotional efforts.
6. Streamline new business license application forms by eliminating duplication and adding pertinent information requirements to assist Planning.

Personnel Allotment

This division is staffed by: (1) Fiscal Services Manager, (1) Senior Fiscal Assistant, (2) Fiscal Assistants, (3) Cashiers, (1) Meter Reader Supervisor and (2) Meter Readers. Additional customer service support is provided by temporary employees.

Personnel Changes

No change was requested.

Expenditure Analysis

Personnel Services: \$817,833 will provide staffing for this division.

Services and Supplies: \$45,625 will provide for special forms, \$925 is for small tools, safety equipment and mandated clothing requirements. \$10,950 represents contractual services provided by MBIA MuniServices, maintenance of copier and the cost to support credit card processing. \$74,660 is for contractual services related to water and sewer funds, outsourcing of Utility Billing production and payment processing, automatic payment processing, an informational booklet for new residents and supplies including postage.

Capital Outlay: No capital outlay was requested.

DEPARTMENT: Finance
DIVISION: Fiscal Services

		Actual 2000-01	Actual 2001-02	Budget 2002-03	Approved 2003-04
PERSONNEL SERVICES					
4111	Permanent Salaries	460,522	536,677	585,229	605,667
4112	Temporary Salaries	28,818	4,629	51,492	159,267
4113	Overtime	6,664	10,578	18,000	18,000
4121	Allowances	0	0	0	0
4124	Leave Cashout	6,530	8,061	0	0
4131	PERS	226	2,975	41,784	53,668
4132	Group Insurance	50,700	56,655	85,740	98,148
4133	Medicare	6,364	7,163	8,390	10,219
4135	Worker's Compensation	8,837	10,401	7,591	8,307
4138	Deferred Comp	5,509	7,634	6,300	6,300
4139	PARS	241	58	95	23
4142	Vacancy Factor	0	0	0	(141,766)
4143	Charged to CIPs	0	0	(22,596)	0
	Total	574,411	644,831	782,025	817,833
SERVICES AND SUPPLIES					
4211	Equip Replmnt Amortization	22,759	15,256	7,629	6,129
4220	Supplies	48,208	44,305	44,400	46,550
4230	Services	64,779	55,003	61,960	87,110
4410	Communications	45	47	150	150
4501	Memberships & Dues	200	50	210	200
4503	Training	316	442	2,800	1,550
4660	Other Misc & Corrections	0	0	0	0
	Total	136,307	115,103	117,149	141,689
CAPITAL OUTLAY					
4851	Vehicles	0	0	0	0
4870	Machinery & Equipment	0	0	0	0
4911	Office Furniture and Fixtures	0	0	0	0
4920	Machinery, Tools & Equip	0	0	0	0
	Total	0	0	0	0
	Total Expenditures	710,718	759,934	899,174	959,522

DEPARTMENT: 3 Finance
DIVISION: 33 Purchasing

FINANCE DIRECTOR: Emma Karlen
PURCHASING AGENT: Lou Zenzen

Division Description

This division provides a full range of procurement services to purchase larger valued goods and services at competitive prices and to ensure requesters comply with Federal and State laws and City ordinances. This division maintains a central stores warehouse, oversees the sale of the City's surplus property, provides the City's internal mail service and administers the stockless office supplies warehousing program.

	Actual 2000-01	Actual 2001-02	Projected 2002-03	Estimated 2003-04
Performance Indicators				
Invitation for bids processed	14	14	12	12
Request for proposals processed	4	4	5	5
Request for quotations	43	25	28	25
Informal quotations	200	129	115	100
Purchase orders/Change orders generated	960	1,092	1,140	900
Store requisitions processed	600	611	540	525

2002-03 Accomplishments

1. Successfully obtained all the food and related supplies for the CEPAC mass feeding exercise, coordinating 35 suppliers, feeding over 600 students, faculty and other participants.
2. Developed an online system to send bids to suppliers and receive confidential "sealed" bid responses.
3. Re-engineered the invitation for bid process and specification development to make it more cost effective.
4. Coordinated the removal of furniture and equipment from the temporary City Hall, donating to non-profit organizations and recycling as much of remaining as possible.

2003-04 Objectives

1. Update EOC emergency supplier contact list and interface with the County and State for additional resources.
2. Post and maintain current bids on City's web site to allow viewing and downloading by suppliers.
3. Set up archived and current purchasing documents for electronic document imaging.

Personnel Allotment

This division is staffed by: (1) Purchasing Agent, (1) Buyer, (1) Fiscal Assistant II, (1) Office Assistant and (1) Maintenance Worker II.

Personnel Changes

No change was requested.

Expenditure Analysis

Personnel Services: \$423,563 will provide staffing for this division.

Services and Supplies: \$77,650 will provide for postage, mailing permits and United Parcel Services. \$400 is for mandated clothing requirements and \$1,750 is for advertising and miscellaneous postage meter.

Capital Outlay: No capital outlay was requested.

DEPARTMENT: Finance
DIVISION: Purchasing

		Actual 2000-01	Actual 2001-02	Budget 2002-03	Approved 2003-04
PERSONNEL SERVICES					
4111	Permanent Salaries	242,631	300,254	320,262	337,856
4112	Temporary Salaries	32,372	29,052	0	0
4113	Overtime	49	0	2,000	2,000
4121	Allowances	0	0	0	0
4124	Leave Cashout	3,454	2,058	0	0
4131	PERS	114	1,897	21,406	23,767
4132	Group Insurance	30,285	37,373	42,840	49,596
4133	Medicare	2,858	3,558	3,338	3,540
4135	Worker's Compensation	4,365	5,427	3,094	3,204
4138	Deferred Comp	2,842	3,608	3,600	3,600
4139	PARS	254	0	0	0
4142	Vacancy Factor	0	0	0	0
4143	Charged to CIPs	0	0	0	0
	Total	319,224	383,227	396,540	423,563
SERVICES AND SUPPLIES					
4211	Equip Replmnt Amortization	20,521	17,848	10,225	8,214
4220	Supplies	71,904	70,362	79,070	79,000
4230	Services	1,721	1,926	4,020	4,275
4410	Communications	129	336	960	960
4501	Memberships & Dues	180	270	270	180
4503	Training	568	0	3,000	500
4660	Other Misc & Corrections	0	0	0	0
	Total	95,023	90,742	97,545	93,129
CAPITAL OUTLAY					
4851	Vehicles	0	0	0	0
4870	Machinery & Equipment	0	0	0	0
4911	Office Furniture and Fixtures	0	0	0	0
4920	Machinery, Tools & Equip	1,964	425	0	0
	Total	1,964	425	0	0
	Total Expenditures	416,211	474,394	494,085	516,692

_____ 2003-2004 FINAL BUDGET _____

_____ CITY OF MILPITAS, CALIFORNIA _____